

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Pella Machine Inc

Iowa Center for Industrial Research and Service

Pella Machine, Inc. Improves Profitability with Assistance from CIRAS

Client Profile:

Pella Machine, Inc. provides precision machining services to manufacturing companies in Pella, Iowa, and surrounding areas, with a focus on CNC machining of small and specialized customer orders. The company recently introduced two proprietary products, a hand tubing bender and a transport device for waste oil (Oil Caddy). Pella Machine currently employs 9 people.

Situation:

Pella Machine wanted an effective way to increase profitability, on time shipping and deal with low backlog of orders. Prior projects with the Iowa Center for Industrial Research and Service (CIRAS), a NIST MEP network affiliate, helped the company establish priorities and identify problems through development of business and financial plans. Once again, Pella contacted CIRAS for help.

Solution:

CIRAS developed a mentoring process for Pella Machine management. The management team used data from previous CIRAS projects to identify and either permanently resolve problems or build on exceptionally good performance. A spread sheet and a visual display board was created to develop schedules, resolve problem jobs and identify clients for pricing issues and new business. Close monitoring of the order backlog reduced late deliveries and overtime. These operational changes led to increased sales resulting in new hires with plans for expanding staff for the future.

Results:

- * Increased sales by \$60,000.
- * Retained sales of \$15,000.
- * Created new jobs.

Testimonial:

"This helped to increase sales when needed and adjust pricing as needed which in turn helped us to be more profitable."

Lisa McGriff, Vice President